

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04  
SIL-01 PA-01 PRS-01 AGRE-00 /083 W  
-----150807Z 044561 /21

R 141732Z FEB 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0193

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMCONSUL OPORTO

AMEMBASSY MADRID

USMISSION EC BRUSSELS

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DEPT PLEASE PASS TREASURY FOR SYVRUD

E.O. 11652: N/A

TAGS: ELAB, PINT, ECON, PO

SUBJ: LABOR ROUND-UP: STRIKE SITUATION

REF: LISBON 1202 (NOTAL)

SUMMARY: WEEKEND LABOR DEVELOPMENTS INCLUDE FURTHER EVIDENCE OF  
GOVERNMENT'S FIRMER LINE IN DEALING WITH LABOR. END SUMMARY.

1. SIGNIFICANT LABOR DEVELOPMENTS WEEKEND OF FEB 12-13 INCLUDE:  
-- DECREE LIMITING WAGE INCREASES TO 15 PERCENT WAS PROMULGATED  
FEB 12, EFFECTIVE THROUGH DEC 1977. EARNINGS OF LESSER PAID  
WORKERS MAY BE INCREASED BY A GREATER AMOUNT, BUT TOTAL SETTLE-  
MENT MUST NOT EXCEED 15 PERCENT OF WAGE COSTS OF EACH COMPANY.  
OVERTIME AND OTHER WAGE EXTRAS MAY NOT EXCEED 50 PERCENT OF  
BASE EARNINGS. TEXT OF DECREE NOT YET AVAILABLE BUT IT IS  
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UNDERSTOOD TO APPLY TO THE PRIVATE SECTOR AS WELL AS TO THE  
PUBLIC SECTOR.

-- GOVERNMENT "REGULATIONS" MERCHANT SHIPPING: DUE TO THE  
REFUSAL OF PORTUGUESE MERCHANT SEAMEN TO WORK OVERTIME  
IN SUPPORT OF THE STRIKING FISHERMEN (SEE BELOW),  
THE GOVERNMENT ISSUED FEB 12 A DECREE "REQUISITIONING"  
PORTUGUESE MERCHANT VESSELS AND CREWS. DECREE MAKES

SEAMEN SUBJECT TO DISCIPLINARY ACTION OR DISMISSAL FOR REFUSAL TO CARRY OUT ORDERS. HOWEVER, EFFECT OF REQUISITIONING IS STILL TO BE TESTED AS GOVERNMENT ISSUED STATEMENT EARLY FEB 14 INDICATING THAT IT WAS NOT NECESSARY TO TAKE ACTION AT THIS TIME AS SLOWDOWN HAD NOT IMPEDED MOVEMENT OF VITAL NECESSITIES.

-- PUBLIC EMPLOYEES STRIKE THREAT WEAKENS: CONVERSATIONS BETWEEN THE MINISTRY OF INTERNAL ADMINISTRATION AND VARIOUS PUBLIC EMPLOYEES UNIONS, COMBINED WITH OPPOSITION ON THE PART OF SOCIALIST AND PSD UNIONS, HAVE UNDERMINED THE ONE DAY STRIKE CALLED FOR FEB 15. A NUMBER OF UNIONS AND LOCALS WITHDREW THEIR SUPPORT FOR THE STRIKE FOLLOWING THE GOVERNMENT'S WARNING THAT STRIKERS MIGHT BE DISCIPLINED.

-- FISHERMEN'S STRIKE BEGINS TO BREAK: FISHERMEN IN MATOSINHOS, PORTUGAL'S LARGEST SARDINE PORT, WENT BACK TO SEA FEB 13 FOLLOWING A SECRET VOTE TO END STRIKE. STRIKE CONTINUES IN LISBON AND SETUBAL BUT IS BECOMING SPORADIC IN OTHER AREAS.

-- TEXTILE STRIKE LACKS MAJOR IMPACT: TEXTILE UNIONS CONTINUE TO CALL FOR INTERMITTENT WORK STOPPAGES TO ENFORCE THEIR CALL FOR A NEW COLLECTIVE CONTRACT, AND THREATEN A COMPLETE STRIKE IF THEIR DEMANDS ARE NOT MET. REPORTS FROM AMCONSUL, OPORTO, INDICATE THAT MOST COMPANIES IN THE TEXTILE REGION ARE UNAFFECTED BY THE STRIKE.

-- ELECTRICAL WORKERS DEMAND CONTRACT: AFTER SEVEN MONTHS OF STALLED NEGOTIATIONS, THE ELECTRICAL WORKERS UNION HAS PRESENTED THE EMPLOYERS' ASSOCIATION A DEMAND FOR A NEW SETTLEMENT BY FEB 16. FAILURE TO AGREE WILL PRODUCE PROGRESSIVE TWO-HOUR WORK STOPPAGES COMMENCING FEB 17.

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2. COMMENT: GOVERNMENT SEEMS TO BE MAKING SOME HEADWAY IN ITS EFFORTS TO DEAL WITH LABOR SITUATION BY DEMONSTRATING A FIRMER HAND.  
CARLUCCI

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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